

Message Text

SECRET

PAGE 01 SANTIA 02582 01 OF 06 310121Z
ACTION ARA-10

INFO OCT-01 ISO-00 SS-15 SP-02 PER-01 SIG-01 A-01
MMO-01 EB-08 SCA-01 IO-13 INR-07 PM-04 CU-02
AGR-05 AID-05 CIAE-00 COM-02 DODE-00 FEA-01 NSC-05
TRSY-02 USIA-06 DHA-02 /095 W
-----310344Z 072962 /54
R 302140Z MAR 77
FM AMEMBASSY SANTIAGO
TO SECSTATE WASHDC 4140

S E C R E T SECTION 1 OF 6 SANTIAGO 2582

NOFORN

E.O. 11652: GDS
TAGS: AMGT PFOR CI
SUBJECT: PARM - ANNUAL POLICY AND RESOURCE ASSESSMENT -- PART I

REF: A) CERP 0001; B) STATE 38356; 47671; C) SANTIAGO 2567

SUMMARY: THE HEART OF THIS CABLE IS A PROPOSAL TO
TAKE ADVANTAGE OF THE NEW ADMINISTRATION'S HUMAN
RIGHTS POLICY BY BEGINNING A DIALOGUE AIMED AT INDUCING
THE GOC TO MODERATE ITS PRACTICES IN THIS AREA. WE
WOULD AGREE TO OFFER THE GOC CERTAIN INCENTIVES WHEN
MEANINGFUL CHANGES ACTUALLY OCCURRED.
END SUMMARY

I. U.S. INTERESTS

1. IN CONVENTIONAL NATIONAL INTEREST TERMS,
CHILE IS NOT OF GREAT IMPORTANCE TO THE UNITED STATES.
IT IS A RATHER SMALL COUNTRY, DISTANT FROM US, AND --
EXCEPT FOR ITS LARGE PRODUCTION OF COPPER -- OF
MINOR SIGNIFICANCE IN ECONOMIC TERMS. HISTORICALLY,
WHAT IS UNUSUAL ABOUT CHILE HAS BEEN ITS BELLWETHER
SECRET

SECRET

PAGE 02 SANTIA 02582 01 OF 06 310121Z

ROLE IN THE HEMISPHERE'S POLITICAL AND SOCIAL
DEVELOPMENT, AND THE LONG-TERM U.S. INTEREST AND
PARTICIPATION IN CHILE'S PROGRESS AND CONVULSIONS,
CULMINATING IN THE TIGHTLY REPRESSIVE MILITARY
JUNTA IN POWER TODAY.

2. AGAINST THIS BACKGROUND, THE U.S. HAS A PRIORITY

INTEREST IN THE PEACEFUL RESTORATION OF HUMAN RIGHTS IN A DEMOCRATIC AND PROSPEROUS CHILE, NOT ONLY FOR THEIR OWN SAKE, BUT ALSO BECAUSE OF THE INFLUENCE CHILE MIGHT HAVE ON POLITICAL AND ECONOMIC DEVELOPMENT THROUGHOUT THE SOUTHERN CONE.

3. OTHER AMERICAN INTERESTS IN CHILE INCLUDE:

-- THE MAINTENANCE OF FRIENDLY AND CONSTRUCTIVE RELATIONSHIPS WITH A STABLE CHILEAN GOVERNMENT BROADLY SUPPORTED BY ITS PEOPLE. THIS WOULD BE PARTICULARLY IMPORTANT IF EAST-WEST RELATIONSHIPS DETERIORATED OR IF SOVIET AND CUBAN PENETRATION IN THE WESTERN HEMISPHERE SHOULD BECOME MORE MARKED.

-- THE ASSURANCE THAT CHILE'S POLICIES WILL CONTRIBUTE TO ENHANCING REGIONAL SECURITY AND STABILITY IN THE ANDEAN AREA, THROUGH CONCILIATORY POLITICAL AND TERRITORIAL RELATIONSHIPS. OF SPECIAL CONCERN ARE BOLIVIA'S CLAIM TO AN OUTLET TO THE SEA AND AVOIDANCE OF AN ARMS RACE WITH PERU.

-- CONTINUING BORAD SUPPORT FROM CHILE REGARDING CERTAIN INTERNATIONAL PROBLEM AREAS: COPING WITH ANTI-U.S. POLITICAL AND ECONOMIC INITIATIVES IN MULTILATERAL FORUMS; RENUNCIATION OF NUCLEAR WEAPONS CAPABILITY; CAREFUL EXPLOITATION OF ANTARCTIC RESOURCES; AND A PRODUCTIVE AND STABLE NEW REGIME FOR THE LAW OF THE SEA.

SECRET

SECRET

PAGE 03 SANTIA 02582 01 OF 06 310121Z

-- ACCESS AS REQUIRED TO CHILEAN COPPER AND OTHER MINERAL RESOURCES, WHICH COULD BECOME IMPORTANT AS WE ENTER AN ERA OF RESOURCE SCARCITY.

-- MAINTENANCE OF CHILE'S CURRENT LIBERAL TRADE AND INVESTMENT POLICY, ITS CREDITWORTHY REPAYMENT OF ITS HEAVY FOREIGN DEBT, AND ITS SUPPORT OF A MARKET ECONOMY.

-- CONTINUED CHILEAN COOPERATION IN CONTROLLING COCAINE TRAFFIC TO THE UNITED STATES.

-- DEPENDABILITY OF CHILEAN SUPPORT IN THE REMOTE EVENT THAT CLOSURE OF THE PANAMA CANAL SHOULD RESULT IN GREATER TRAFFIC THROUGH THE SOUTHERN STRAITS, OR IN CASE OF GENERAL WAR.

II. AMBASSADOR'S OVERVIEW

4. AS WE MOVE INTO THE CURRENT PARM PERIOD, THE BASIC FACT WITH WHICH WE HAVE TO RECKON IS THE CONTINUING STABILITY OF THE CHILEAN MILITARY REGIME. ITS INTERNAL SECURITY PRACTICES HAVE BEEN OUTSTANDINGLY SUCCESSFUL: THE COUNTRY IS TRANQUIL, DISSENT IS MUFFLED. THE JUNTA HAS SURVIVED A VERY SEVERE INTERNAL ECONOMIC READJUSTMENT AND INITIATED A SLOW RECOVERY. IT HAS ESTABLISHED A STRONGLY AUTHORITARIAN GOVERNMENT UNDER THE ALMOST EXCLUSIVE CONTROL OF PRESIDENT AUGUSTO PINOCHET. AND IT HAS WEATHERED A CONSTANT STORM OF CRITICISM FROM OUTSIDE SOURCES -- ANTAGONISTIC GOVERNMENTS AND INTERNATIONAL ORGANIZATIONS, PRIVATE GROUPS INTENT UPON RESTORING INTERNATIONALLY ACCEPTED HUMAN RIGHTS PRACTICES, THE REPRESENTATIVES OF THE MARXIST LEFT, AND AN INCREASING BAND OF VOLUNTARY AND INVOLUNTARY EXILES.

5. BUT THE STABILITY OF ANY DICTATORSHIP IS A BRITTLE THING.
SECRET

SECRET

PAGE 04 SANTIA 02582 01 OF 06 310121Z

ULTIMATELY IT SUCCUMBS TO AN ACCUMULATION OF SETBACKS AND STRAINS. THE CHILEAN MILITARY JUNTA WILL BE NO EXCEPTION, THOUGH IT IS TOO EARLY TO TELL WHETHER THE NEXT MAJOR POLITICAL MOVEMENT WILL BE A SHIFT TOWARD A MORE PARTICIPATORY SYSTEM UNDER INCREASING CIVILIAN INFLUENCE, OR A VIOLENT TURN TOWARD RIGHT OR LEFT WING EXTREMISM.

SECRET

NNN

SECRET

PAGE 01 SANTIA 02582 02 OF 06 310122Z
ACTION ARA-10

INFO OCT-01 ISO-00 SS-15 SP-02 PER-01 SIG-01 A-01
MMO-01 EB-08 SCA-01 IO-13 INR-07 PM-04 CU-02
AGR-05 AID-05 CIAE-00 COM-02 DODE-00 FEA-01 NSC-05
TRSY-02 USIA-06 DHA-02 /095 W
-----310345Z 072987 /54

R 302140Z MAR 77
FM AMEMBASSY SANTIAGO
TO SECSTATE WASHDC 4141

S E C R E T SECTION 2 OF 6 SANTIAGO 2582

NOFORN

6. MEANWHILE, THE SOURCES OF STRAIN IMPINGING UPON THE GOVERNMENT BEAR CLOSE WATCHING. PERHAPS THE MOST SERIOUS ARISES FROM THE SOCIAL INEQUITIES ACCOMPANYING THE SHARP TURN TOWARD THE FREER AND MORE AUSTERE ECONOMY DECREED BY THE GOVERNMENT TWO YEARS AGO. LIFE REMAINS GRIM FOR CHILE'S UNEMPLOYED AND ITS URBAN AND RURAL UNDERPRIVILEGED, AS WELL AS FOR A MIDDLE CLASS CONSTANTLY SQUEEZED BY INFLATION AND LOW PRODUCTION LEVELS. BUT THERE ARE GLIMMERS OF HOPE FOR THOSE MOST SERIOUSLY AFFECTED. ALTHOUGH THERE IS STILL LITTLE REAL SAVING OR INVESTMENT, BUSINESS IS BEGINNING TO IMPROVE; THE INFLATION RATE IS LOWER; EXPORTS AND COPPER PRICES ARE UP; UNEMPLOYMENT IS STARTING TO FALL; THE CURRENT YEAR'S HARVESTS WERE EXCELLENT; AND CHILE IS MAINTAINING ITS RECORD OF PROMPT AND FULL REPAYMENT OF ITS FOREIGN DEBT OBLIGATIONS. THERE ARE THOSE WHO ARGUE THAT THE MASSES OPPOSED TO THE GOVERNMENT HAVE BEEN TOO PROSTRATE TO PROTEST THEIR FATE, AND THAT WILL FULLER STOMACHS THE LEVEL OF RESTIVENESS WILL RISE. THIS COULD BE SO; BUT WE SEE NO REASON TO BELIEVE THAT THE JUNTA'S INTERNAL SECURITY FORCES COULD NOT CONTROL ANY SUCH MANI-
SECRET

SECRET

PAGE 02 SANTIA 02582 02 OF 06 310122Z

FESTATIONS. CERTAINLY NONE ARE APPARENT TODAY.

7. THERE IS A SECOND AND LIKEWISE IMPORTANT SOURCE OF DOMESTIC STRAIN; THE DISSATISFACTION OF BOTH THE SUBMERGED LEFT AND THOSE WHO ORIGINALLY SUPPORTED THE JUNTA IN 1973, REGARDING IT AS A BRIDGE TO A NEW DEMOCRACY IN WHICH CHILE'S TRADITIONAL HUMAN RIGHTS AND CIVIL LIBERTIES WOULD BE RESTORED. THERE IS STILL A DESIRE FOR A PLURALIST AND HUMANISTIC SOCIETY IN CHILE. IT IS STRONG ENOUGH SO THT, WHEN THE REMAINING, NON-MARXIST POLITICAL PARTIES WERE FORMALLY DISSOLVED IN MARCH, THERE WAS AN AUDIBLE UNDERTONE OF DISSENT IN THE PUBLIC COMMENTARY. MOMENTARILY, THIS SEEMS TO HVE CURBED THE ELEMENTS PRESSING FOR A TRULY FASCIST STATE, BUT THERE IS NO SIGN THAT IT WILL LEAD TO ANY EARLY RELAXATION OF THE PREVAILING AUTHORITARIANISM.

8. THE ONLY OTHER MAJOR SOURCE OF STRAIN THE JUNTA FACES STEMS FROM ITS OWN INTERNAL STRUCTURE. FROM THE BE-
GINNING THE OTHER SERVICES RECOGNIZED PINOCHET'S PRIMACY AS HEAD OF THE PREDOMINANT ARMY. THEY HAVE BEEN ABLE TO SLOW, BUT NOT TO STOP HIS GRADUAL

ASSUMPTION OF FULL POWER. THEY SEEM UNLIKELY TO BE ABLE TO PREVENT HIM FROM TAKING THE FEW REMAINING STEPS NEEDED TO COMPLETE THE PROCESS.

9. THERE HAS AT TIMES BEEN OBVIOUS DISCONTENT AMONG THE VARIOUS OFFICER CORPS. BUT THE INSTITUTIONAL UNITY OF THE MILITARY IN CHILE IS, FOR LATIN AMERICA, UNUSUALLY STRONG. IN OUR JUDGMENT THE SENIOR OFFICERS WHO PLEDGED THEIR COLLABORATION IN THE TRAUMATIC EXPERIENCE OF OVERTHROWING ALLENDE SEEM NOWHERE CLOSE TO A SCHISM, WHICH COULD BRING DOWN THE REGIME.

10. IN FOREIGN POLICY TERMS, THE GOVERNMENT'S MOST SERIOUS
SECRET

SECRET

PAGE 03 SANTIA 02582 02 OF 06 310122Z

PROBLEM HAS BEEN TO COPE WITH THE ASSAULT ON ITS HUMAN RIGHTS POLICIES. SINCE MID-1976 IT HAS MADE SUBSTANTIAL PROGRESS IN MODERATING ITS MOST INHUMANE PRACTICES. SOME 2700 POLITICAL PRISONERS OF VARIOUS TYPES WERE FREED IN 1976 AND ONLY ABOUT 500 ARE STILL INCARCERATED; ARBITRARY DETENTION HAS VIRTUALLY CEASED; WE HEAR NO NEW REPORTS OF TORTURE; EVEN THE "MYSTERIOUS DISAPPEARANCES", A SUBJECT OF CONTINUING CONCERN, SEEM TO HAVE STOPPED ENTIRELY IN 1977. THUS, WHILE THE DINA AND OTHER INTERNAL SECURITY AGENCIES RETAIN THEIR PREROGATIVES, AND THE APPARATUS OF INTIMIDATION REMAINS IN PLACE, CONDITIONS WITH RESPECT TO INDIVIDUAL DUE PROCESS IN CHILE HAVE NOTICEABLY IMPROVED.

11. IN GOVERNMENT QUARTERS, THERE IS BURNING RESENTMENT OVER THE FACT THAT THE FOREIGN RESPONSE TO THESE IMPROVEMENTS HAS IN MOST CASES BEEN NOT LESS BUT MORE STRINGENT CRITICISM. THE TENDENCY IS TO INTERPRET THIS REACTION AS PROOF THAT NOTHING THE REGIME MIGHT DO WILL GAIN IT THE INTERNATIONAL APPROVAL IT SEEKS, AND ACCORDINGLY TO ASSUME THAT THE GOAL OF THE CRITICS IS NOT HUMAN RIGHTS IMPROVEMENTS, BUT THE REPLACEMENT OF THE PINOCHET GOVERNMENT BY A "COMMUNIST" REGIME. THUS, THE SENSE OF XENOPHOBIA IS HEIGHTENED, AND THE TENDENCY TO STRENGTHEN RELATIONS WITH THE OTHER MILITARY GOVERNMENTS OF THE SOUTHERN CONE FOR COMMON RESISTANCE TO THE OUTSIDER IS ENHANCED.

12. FOR REASONS OF HISTORY, ECONOMIC AND MILITARY POWER, AND BROAD POPULAR AFFINITIES, THE U.S. GOVERNMENT CAN EXERCISE A STRONGER INFLUENCE THAN ANY OTHER OVER THE CHILEAN GOVERNMENT. I BELIEVE IT IS IN OUR INTEREST TO DO WHAT WE CAN TO ENCOURAGE CHILE TO MOVE FURTHER ALONG THE ROAD TO ACCEPTABLE HUMAN RIGHTS

IMPROVEMENTS. HENCE THE MAJOR RECOMMENDATION IN THE
SECRET

SECRET

PAGE 04 SANTIA 02582 02 OF 06 310122Z

"COURSES OF ACTION" SECTION OF THIS PAPER: THAT WE
INITIATE A DIALOGUE WITH THE CHILEANS TO DETERMINE
WHETHER WE CANNOT, THROUGH APPROPRIATE INCENTIVES,
STIMULATE A PROGRESSIVE EVOLUTION TOWARD A MORE HUMANE,
OPEN AND PARTICIPATORY CHILEAN SOCIETY.

SECRET

NNN

SECRET

PAGE 01 SANTIA 02582 03 OF 06 310123Z
ACTION ARA-10

INFO OCT-01 ISO-00 SS-15 SP-02 PER-01 SIG-01 A-01
MMO-01 EB-08 SCA-01 IO-13 INR-07 PM-04 CU-02
AGR-05 AID-05 CIAE-00 COM-02 DODE-00 FEA-01 NSC-05
TRSY-02 USIA-06 DHA-02 /095 W
-----310346Z 072997 /54

R 302140Z MAR 77
FM AMEMBASSY SANTIAGO
TO SECSTATE WASHDC 4142

S E C R E T SECTION 3 OF 6 SANTIAGO 2582

NOFORN

13. THIS WILL NOT BE EASY. THE TOUGH MILITARY MEN OF THE
JUNTA ARE NOT LIBERTARIANS. BUT THEY ARE REALISTIC.
FOREIGN CRITICISM, AND INTIMATIONS OF ISOLATION,
QUARANTINE OR BOYCOTT WORRY THEM. AND WE HAVE LITTLE
TO LOSE THROUGH THE PROPOSED PROCEDURE. IF IT SHOULD
SUCCEED, IT COULD PUT CHILE ON THE PATH TO A GRADUAL
RESTORATION OF ITS TRADITIONAL DEMOCRATIC AND PLURALIST
SOCIETY. THE ALTERNATIVE WOULD BE AN EVEN MORE
REPRESSIVE TOTALITARIANISM OF THE EXTREME LEFT OR
RIGHT.

14. IT FOLLOWS FROM THE FOREGOING THAT WE DO NOT BELIEVE
THIS IS THE MOMENT FOR THE U.S. TO IMPOSE ADDITIONAL
RESTRICTIONS ON ECONOMIC ASSISTANCE TO CHILE. CUTTING
OFF OUR RESIDUAL AID PROGRAM WOULD BE SHARPLY COUNTER-

PRODUCTIVE. SO WOULD AMERICAN LEADERSHIP IN INDUCING THE INTERNATIONAL FINANCIAL INSTITUTIONS TO APPLY A POLITICAL LITMUS TEST TO LOANS FOR CHILE. QUITE APART FROM ITS MORE GENERAL IMPLICATIONS FOR THE INSTITUTIONS THEMSELVES, SUCH A STEP WOULD ON BALANCE ONLY STRENGTHEN THE JUNTA'S INTERNAL SUPPORT. IT WOULD NOT BRING THE JUNTA DOWN; AND CHILEAN MODERATES

SECRET

SECRET

PAGE 02 SANTIA 02582 03 OF 06 310123Z

WOULD REACT NEGATIVELY TO THE DISAPPROVAL OF LOANS WHICH BENEFIT THE COUNTRY'S POOR. SANCTIONS OF THIS CHARACTER SHOULD BE HELD IN ABEYANCE UNTIL IT BECOMES CLEAR THAT THEY WOULD ACTUALLY BE HELPFUL.

15. APART FROM THE NORMAL GRIST OF BILATERAL PROBLEMS, THE ONLY OTHER SUBSTANTIVE ISSUE WE REGARD AS OF MAJOR IMPORTANCE FOR THE PARM PROCESS IS THE QUESTION OF HOW TO CONTEND WITH THE RISING TENSION BETWEEN CHILE AND PERU, AS THE 1979 CENTENNIAL ANNIVERSARY OF THE LATTER'S GREAT DEFEAT APPROACHES. IN VIEW OF THE MASSIVE INFUSION INTO PERU OF SOPHISTICATED WEAPONS SYSTEMS AND ALL THAT GOES WITH THEM, AND THE CONSEQUENT REGIONAL DESTABILIZATION, WE FACE THE POTENTIAL FOR A CONFLICT WHICH COULD BE EXPLOITED BY THE SOVIETS AND CUBANS. THE MILITARY, PSYCHOLOGICAL, AND TERRITORIAL ISSUES INVOLVED IN THIS DISPUTE ARE COMPLEX. THEY WARRANT A MAJOR PLANNING EXERCISE AMONG WASHINGTON AGENCIES, AND A MORE ACTIVIST U.S. POLICY VIS-A-VIS THE POTENTIAL ANTAGONISTS, DESIGNED TO MINIMIZE BOTH THE CAPABILITY AND THE INDUCEMENTS FOR ARMED CONFLICT.

III. OBJECTIVES, COURSES OF ACTION AND ISSUES

A. OBJECTIVES WITHIN THE PARM TIME FRAME:

1. HUMAN RIGHTS. TO INDUCE THE GOVERNMENT OF CHILE TO ELIMINATE GROSS VIOLATIONS OF INDIVIDUAL HUMAN RIGHTS (ARBITRARY DETENTION, TORTURE, MYSTERIOUS DISAPPEARANCE, LACK OF DUE PROCESS, ETC.), AND TO MODIFY ITS INSTITUTIONAL STRUCTURE SO AS TO ENSURE HUMAN RIGHTS PRACTICES MEASURING UP TO INTERNATIONALLY ACCEPTED STANDARDS. UNLESS WE CAN MAKE SUBSTANTIAL PROGRESS WITH RESPECT TO THIS OBJECTIVE, OUR LEVERAGE IN ADVANCING THE OTHERS IS LIKELY TO BE SLIGHT.

SECRET

SECRET

PAGE 03 SANTIA 02582 03 OF 06 310123Z

2. FUNDAMENTAL FREEDOMS. AS A CONCOMITANT OF THE FOREGOING, TO ENCOURAGE THE RESTORATION OF CIVIL RIGHTS SUCH AS FREEDOM OF EXPRESSION AND ASSEMBLY, AND OF A PARTICIPATORY SOCIETY AND DEMOCRATIC POLITICAL AND TRADE UNION INSTITUTIONS. (WHILE THE COUNTRY TEAM CONSIDERS THIS A LESS IMPORTANT OBJECTIVES, IT IS INCLUDED AT THIS POINT BECAUSE OF ITS RELATIONSHIP WITH OBJECTIVE 1.)

3. REGIONAL SECURITY. TO ENSURE THAT THE GOC DOES NOT PROVOKE A CONFLICT WITH PERU, INADVERTENTLY OR AS A RESULT OF NEGOTIATIONS OVER A CORRIDOR FOR BOLIVIA; AND TO THE EXTENT WE CAN, TO NEUTRALIZE THE PERUVIAN ARMS PREPONDERANCE WHICH MIGHT STIMULATE AN ATTACK ON CHILE.

4. OTHER OBJECTIVES.

-- RESPOND (SUBJECT TO HUMAN RIGHTS IMPROVEMENTS) TO OPPORTUNITIES FOR IFI LENDING AND PRIVATE LOANS AND INVESTMENTS OPENED BY THE GOC'S LIBERAL ECONOMIC POLICIES;

-- PREVENT CHILEAN PARTICIPATION IN AN ANTI-AMERICAN SOUTHERN CONE BLOC;

-- MAINTAIN TIES WITH BROAD ELEMENTS OF CHILEAN SOCIETY TO FACILITATE OUR DIPLOMATIC, CULTURAL, INFORMATIONAL AND REFUGEE RELIEF ACTIVITIES.

-- MAINTAIN EXISTING COOPERATION TO SUPPRESS THE INTERNATIONAL NARCOTICS TRAFFIC;

-- ENLIST CHILEAN COOPERATION IN COUNTERING HARMFUL THIRD-WORLD INITIATIVES IN THE UN AND OAS SYSTEMS;

SECRET

SECRET

PAGE 04 SANTIA 02582 03 OF 06 310123Z

-- RETAIN CHILEAN SUPPORT AS WE MODIFY OUR POSITION ON COPPER AND OTHER INTERNATIONAL COMMODITY AGREEMENTS.

SECRET

NNN

SECRET

PAGE 01 SANTIA 02582 04 OF 06 310121Z
ACTION ARA-10

INFO OCT-01 ISO-00 SS-15 SP-02 PER-01 SIG-01 A-01
MMO-01 EB-08 SCA-01 IO-13 INR-07 PM-04 CU-02
AGR-05 AID-05 CIAE-00 COM-02 DODE-00 FEA-01 NSC-05
TRSY-02 USIA-06 DHA-02 /095 W
-----310347Z 072970 /54

R 302140Z MAR 77
FM AMEMBASSY SANTIAGO
TO SECSTATE WASHDC 4143

S E C R E T SECTION 4 OF 6 SANTIAGO 2582

NOFORN

B. COURSES OF ACTION:

1. HUMAN RIGHTS AND 2) FUNDAMENTAL FREEDOMS.

THE COUNTRY TEAM FAVORS AN APPROACH DESIGNED TO INDUCE THE CHILEANS THEMSELVES TO TAKE SIGNIFICANT STEPS TOWARD A FREER CHILEAN SOCIETY.

WE CONCLUDE THAT THERE IS A REASONABLE PROSPCT THAT THROUGH A QUID PRO QUO POLICY, WE CAN INDUCE THE CHILEANS TO MAKE A REAL START ON THE ROAD BACK TOWARD INDIVIDUAL RIGHTS AND EMOCRATOC PRACTICES, AND GIVE THEM SOME IDEA OF WHAT WE ON OUR SIDE MIGHT DO FOR THEM IF THEY DID SO.

RECOGNIZING THAT THE ODDS FOR COMPLETE SUCCESS ARE SMALL, AND THAT THERE IS SOME RISK OF A HOSTILE GOC REACTION, WE NEVERTHELESS BELIEVE THAT THE TIME IS APPROPRIATE TO OPEN A DIALOGUE WITH THE CHILEANS ON THIS BASIS. THE FIRST SHOCK OF PRESIDENT CARTER'S HUMAN RIGHTS INITIATIVES HAS BEEN ABSORBED; THE PRESIDENT'S STATEMENT WHEN NEW CHILEAN AMBASSADOR JORGE CAUAS PRESENTED HIS CREDENTIALS PROVIDES US WITH AN OPENING ("THE U.S. HAS SOUGHT TO BE OF ASSISTANCE BY COLLABORATING WITH CHILE... I HOPE WE CAN CONTINUE TO DO SO IN THE FUTURE"); AND IN CHILE, THE REACTION TO THE MARCH 11 DISSOLUTION OF THE DEMOCRATIC POLITICAL PARTIES MAY BE GIVING THE GOVERNMENT PAUSE.

AN APPROACH TO PINOCHET WOULD HAVE TO BE VERY CAREFULLY
SECRET

SECRET

PAGE 02 SANTIA 02582 04 OF 06 310121Z

PREPARED. HE HAS FALLEN IN READILY WITH THE CLAMOR IN THE SOUTHERN CONE OVER ALLEGED AMERICAN INTERVENTION AND "HUMAN RIGHTS IMPERIALISM". ECONOMIC IMPROVEMENT IN CHILE, SLIHGT THOUGH IT STILL IS, HAS GIVEN HIM A BETTER BASE FOR INDEPENDENCE, EVEN DEFIANCE. HE WILL BRIDLE AT ANYTHING WHICH SMACKS OF DICTATION. BUT EVEN IF HE SHOULD MISINTERPRET OUR INTENT AND REBEL, WE SEE LITTLE CHILE COULD DO TO HARM SERIOUSLY ANY MAJOR U.S. INTEREST.

ON THE OTHER HAND, WE JUDGE THAT PINOCHET WOULD BE WILLING TO CONTEMPLATE CONSTRUCTIVE STEPS, IF HE COULD THEREBY EXPECT TO REBUILD HIS BRIDGES WITH THE UNITED STATES. PUZZLED AND EXASPERATED AS HE AND HIS MILITARY COLLEAGUES HAVE BEEN BY OUR ANTAGONISM, THEY HAVE NEVER CEASED TO DESIRE AMERICAN FRIENDSHIP. IT WOULD BE A DOMESTIC AND INTERNATIONAL POLITICAL PLUS FOR HIM.

WE THEREFORE PROPOSE THAT THE FOLLOWING STEPS BE INITIATED.

A. FOR PLANNING PURPOSES, AN ENUMERATION OF THE STEPS WE WOULD WISH TO SEE THE CHILEANS TAKE TO FREE UP THEIR SOCIETY, BY PRIORITIES AND STAGES; AND A SIMILAR ENUMERATION OF THE MEASURES WITH WHICH WE WOULD BE PREPARED TO RESPOND, WITH PRIORITIES, AS THE CHILEANS BEGAN TO TAKE EFFECTIVE ACTIONS. (ILLUSTRATIVE LISTS ARE INCLUDED AS ANNEX A TO THIS CABLE.)

B. CONGRESSIONAL CONSULTATION DESIGNED TO OBTAIN AT LEAST NEUTRALITY REGARDING THE EXERCISE, UNTIL ITS RESULTS BECAME APPARENT.

C. AN INFORMAL, HIGH-LEVEL SOUNDING IN SANTIAGO BY THE AMBASSADOR, WHO WOULD ASK WHETHER HE SHOULD RECOMMEND TO WASHINGTON, A FULL-SCALE BILATERAL REVIEW OF CHIEAN-AMERICAN RELATIONSHIPS, WITH EMPHASIS ON OUR DIFFERENCES REGARDING HUMAN RIGHTS.

D. ASSUMING AN AFFIRMATIVE ANSWER, A HIGH-LEVEL VISIT TO SANTIAGO, MOST APPROPRIATELY BY ASSISTANT SECRETARY TODMAN, TO EXPLORE THE PROSPECTS FOR STARTING A PHASED, OPEN-ENDED PROCESS OF CHANGE, WITH ASSURANCE OF SYMPATHETIC RESPONSE FROM OUR SIDE AS IT PROCEEDED. (ALTERNATIVELY BUT LESS DESIRABLY, THE AMBASSADOR MIGHT DO THIS, IF ARMED WITH A SPECIAL MESSAGE FROM THE PRESIDENT OR THE SECRETARY.)

E. AS A MAXIMUM OBJECTIVE, AN EFFORT TO INDUCE THE GOC
SECRET

SECRET

PAGE 03 SANTIA 02582 04 OF 06 310121Z

TO MAKE AT LEAST A CONDITIONAL COMMITMENT TO AN EVOLUTIONARY PROCESS OF LIBERALIZATION, WITH AT LEAST A FEW KEY DATES -- NOT UNDULY DISTANT -- AS BENCHMARKS. ON OUR SIDE, WE WOULD IN RETURN INDICATE THAT UPON ATTAINMENT OF THE OBJECTIVE, (I.E., ACTUAL LIBERALIZATION) THE EXECUTIVE BRANCH WOULD REQUEST CONGRESS TO ACKNOWLEDGE THAT THE CHILEANS HAD MADE "SUBSTANTIOAL PROGRESS" IN AMELIORATING HUMAN RIGHTS ABUSES, AND WOULD COMPLETE THE ADJUSTMENT OF U.S. MILITARY AND ECONOMIC ASSISTANCE LEGISLATION ACCORDINGLY.

F. SHORT OF THE FOREGOING, OUR NEGOTIATOR WOULD STATE THAT THE EXECUTIVE BRANCH WOULD RESPOND TO MOVMENT ON THE CHILEAN SIDE WITH SUCCESSIVE STEPS WITHIN ITS POWER TO RESTORE THE NORMAL ONGOING RELATIONS BETWEEN THE TWO GOVERNMENTS. (SEE ANNEX A.) AS A RECORDD OF ACCOMPLISHMENT WAS MADE, THE ADMINISTRATION WOULD RECOMMEND TO CONGRESS SUCCESSIVE STEPS TO MODIFY THE SPECIAL LEGISLATIVE RESTRICTIONS WHICH CURRENTLY PREVENT US FROM EXTENDING ECONOMIC AND MILITARY ASSISTANCE (INCLUDING LIMITED MILITARY SALES) AND TRAINING TO CHILE. WE WOULD ALSO AGREE TO WORK ACTIVELY IN INTERNATIONAL AGENCIES, INCLUDING FINANCIAL AGENCIES, AGAINST

HUMAN RIGHTS RESTRICTIONS ON CHILE WHICH SINGLE IT OUT IN A DISCRIMINATORY WAY.

GIVEN THE OVERRIDING IMPORTANCE OF THE HUMAN RIGHTS ISSUE FOR CHILEAN-AMERICAN RELATIONS, THE COUNTRY TEAM REQUESTS A PROMPT DECISION WITH RESPECT TO THIS PROPOSED COURSE OF ACTION.

SECRET

NNN

SECRET

PAGE 01 SANTIA 02582 05 OF 06 310122Z
ACTION ARA-10

INFO OCT-01 ISO-00 SS-15 SP-02 PER-01 SIG-01 A-01
MMO-01 EB-08 SCA-01 IO-13 INR-07 PM-04 CU-02
AGR-05 AID-05 CIAE-00 COM-02 DODE-00 FEA-01 NSC-05
TRSY-02 USIA-06 DHA-02 /095 W
-----310347Z 072992 /54

R 302140Z MAR 77
FM AMEMBASSY SANTIAGO
TO SECSTATE WASHDC 4144

S E C R E T SECTION 5 OF 6 SANTIAGO 2582

NOFORN

3. REGIONAL SECURITY.

WE DO NOT ANTICIPATE HOSTILITIES BETWEEN CHILENA DPERU DURING THE PARM PERIOD. NEVERTHELESS, ANDEAN TENSIONS ARE INCREASING AS THE PERUVIAND DEPLOY THEIR NEW SOVIET ARMS AND ATTAIN THE CAPACITY TO USE THEM, THUS ENDANGERING HEMISPHERE SECURITY AND INVITING SOVIET/CUBAN ADVENTURISM.

WE BELIEVE THE U.S., ALONE AND IN COOPERATION WITH OTHERS, SHOULD UNDERTAKE A CONTINUING, QUIET DIPLOMATIC CAMPAIGN TO DE-FUSE AS FAR AS POSSIBLE THE MAJOR SOURCES OF CONFLICT. THIS COULD INVOLVE SUCH MEASURES AS BILATERAL CONTACTS (WITH CHILE, AS WITH THE OTHERS CONCERNED) URGING RESTRAINT; THE PROVISION OF ACCURATE INFORMATION TO COUNTERACT UNWARRANTED WAR SCARES; ARRANGEMENTS FOR MUTUALLY ACCEPTABLE OBSERVATION AND FACT-FINDING FACILITIES; GOOD OFFICIES IF THE BOLIVIAN CORRIDOR QUESTION SHOULD BECOME A MAJOR IRRITANT; AND THE INVOCATION OF OAS MACHINERY WHENEVER APPROPRIATE. IN ADDITION, IF PROGRESS IN THE HUMAN RIGHTS AREA SHOULD PERMIT IT, WE SHOULD BEGIN TO PROVIDE THE CHILEANS WITH A LIMITED AMOUNT OF DEFENSIVE ARMS AGAINST POTENTIAL PERUVIAN ATTACK, AS A STEADYING FACTOR AND A DETERRENT.

4. OTHER OBJECTIVES.

TO THE EXTENT PERMITTED BY THE CONSTRAINTS OF THE HUMAN RIGHST
SECRET

SECRET

PAGE 02 SANTIA 02582 05 OF 06 310122Z

PROBLEM ALL ELEMENTS OF THE MISSION WILL SEEK TO ATTAIN THE GOALS LISTED IN THE "OBJECTIVES" SECTION ABOVE. OUR ACTIONS MUST THEREFORE BE DEvised TO SUSTAIN WHAT COMMON VIEWPOINTS STILL EXIST.

C. ISSUES:

WE URGE PROMPT WASHINGTON APPROVAL OF OUR PROPOSED HUMAN RIGHTS POLICY AND AN EARLY DECISION TO ADDRESS THE REGIONAL SECURITY PROBLEM. THE CHILEAN ENVIRONMENT IS PROPITIOUS FOR MOVMENT ON THE FORMER; STEPS TO REDUCE SUBREGIONAL FRICTIONS SHOULD BE TAKEN NOW, BEFORE A NEW CRISIS FLARES.

IN ARRIVING AT THE RECOMMENDED HUMAN RIGHTS APPROACH, WE IDENTIFIED A NUMBER OF ISSUED NEEDING WASHINGTON DECISIONS:

- HOW ARE WE TO DISTINGUISH BETWEEN WHAT WE DO TO HELP PROTECT BASIC INDIVIDUAL HUMAN RITHST, AND WHAT WE DO TO ADVANCE POLITICAL-CIVIL LIBERTIES?

AT WHAT POINT DOES PURSUIT OF INSTITUTIONAL CHANGES AIMED AT PROTECTING BASIC HUMAN RIGHTS BECOME SELF-DEFEATING, IN THAT THE TARGET GOVERNMENT REACTS AGAINST SEEMINLGY INSATIABLE EXTERNAL PRESSURES BY BECOMING MORE REPRESSIVE? -- HOW CAN THE MULTIPLE STANDARD" PREDICAMENT BE RESOLVED? HOW CAN WE JUSTIFY EMPLOYING SANCTIONS ONLY AGAINST REMOTE, NON-STRATEGIC COUNTRIES? CAN WE LOGICALLY DAMAND HIGHER STANDARDS FROM GOVERNMENTS PROFESSING A WESTERN VALUE SYSTEM? THOSE SEEKING OUR FRIENDSHIP? THOSE IN THE COUNTRIES WHICH FORMERLY HAD HUMANE DEMOCRATIC TRADITIONS? OR IS THERE ANY OTHER CRITERION WE SHOULD OR NEED TO PROGRAM, TO SUPPORT OUR COUNTRY-BY-COUNTRY APPROACH?

-- WHAT ARE THE IMPLICATIONS OUTSIDE CHILE OF OUR PARTICULAR POLICIES FOR THAT COUNTRY?

TO WHAT EXTENT IS THE POLICY RECOMMENDED IN THIS PAPER APPLICABLE ELSEWHERE -- THAT IS, THE ACTIVE INVOLVEMENT OF THE U.S. IN SPECIFIC HUMAN RIGHTS OBJECTIVES; THE LINK BETWEEN PERFORMANCE AND INCENTIVES IN THE FIRST INSTANCE; AND THE IMPLICIT THREAT OF ADDITIOAL SANCTIONS TO BE INVOKED AT A LATER DATE, IF THE DIALOGUE SHOULD FAIL?

ANNEX A

1. SOME STEPS WHICH THE EXECUTIVE BRANCH MIGHT TAKE TO

SECRET

SECRET

PAGE 03 SANTIA 02582 05 OF 06 310122Z

RESPOND TO SPECIFIC HUMAN RIGHTS IMPROVEMENTS BY THE CHILEAN GOVERNMENT:

A) A PUBLIC ACKNOWLEDGEMENT OF PROGRASS BY A WASHINGTON USG SPOKESMAN, AS IT IS MADE (THIS MAY INVLUENCE PRIVATE BANKS AND POTENTIAL INVESTORS).

B) DUE ACKNOWLEDGEMENT OF CONSTRUCTIVE CHANGES IN CHILE BY U.S. REPRESENTATIVES IN INTERNATIONAL AGENCIES, AND ADVOCACY OF BALANCED RESOLUTIONS ON CHILE REFLECTING SUCH CHANGES.

C) A RESUMPTION OF NORMAL OFFICIAL VISITS AND EXCHANGES, INCLUDING HIGH-LEVEL MILITARY VISITS, AND PROFESSIONAL MEDALS AND AWARDS (CURRENTLY SUSPENDED).

D) ENCOURAGEMENT OF CONTACTS IN THE CULTURAL (INCLUDING IVP), SPORTS AND LEGAL FIELDS; AN EFFORT TO MODERATE THE DE FACTO BOYCOTT OF CHILE BY MANY AMERICAN SCHOLARS.

E) ENCOURAGEMENT OF VISIT BY MODERATE, PREFERABLY UNCOMMITTED MEMBERS OF CONGRES, AND BY OTHER AMERICAN OPINION LEADERS WHO MIGHT OBSERVE AND REPORT ON THE IMPROVEMENTS WHICH WOULD HAVE TAKEN PLACE.

SECRET

NNN

SECRET

PAGE 01 SANTIA 02582 06 OF 06 310123Z
ACTION ARA-10

INFO OCT-01 ISO-00 SS-15 SP-02 PER-01 SIG-01 A-01
MMO-01 EB-08 SCA-01 IO-13 INR-07 PM-04 CU-02
AGR-05 AID-05 CIAE-00 COM-02 DODE-00 FEA-01 NSC-05
TRSY-02 USIA-06 DHA-02 /095 W
-----310348Z 072995 /54

R 302140Z MAR 77
FM AMEMBASSY SANTIAGO
TO SECSTATE WASHDC 4145

S E C R E T SECTION 6 OF 6 SANTIAGO 2582

NOFORN

F) SIGNATURE OF THE LONG-DELAYED EXTRADITION TREATY.

G) SYMPATHETIC DISCUSSION WITH THE CHILEANS REGARDING THEIR CONCERN OVER PERUVIAN ARMS PREDOMINANCE BASED ON SOVIET EQUIPMENT AND TRAINING.

H) ADDITIONAL P.L. 480 TITLE II WHATE AND OTHER FOODS FOR THE CHILEAN WORK RELIEF PROGRAM.

I) SYMPATHETIC U.S. CONSIDERATION OF CHILEAN LOAN PROJECTS IN INTERNATIONAL FINANCIAL INSTITUTIONS, CONSISTENT WITH CONGRESSIONAL RESTRICTIONS.

J) SIGNATURE OF THE OPIC GUARANTEE AGREEMENT; FIRST PHASES OF RESUMPTION OF OPIC AND EXPORT-IMPORT BANK PROGRAMS.

2. SIMILAR STEPS REQUIRING CONGRESIONAL APPROVAL:

A) ADDITIONAL FUNDING FOR CHILE'S OUTSTANDINGLY SUCCESSFUL
LOW-COST HOUSING INVESTMENT GUARANTEE PROGRAM.
B) A NEW P.L. 480 TITLE I CONCESSIONAL WHEAT IMPORT ALLOTMENT.
C) ADDITIONAL FY 77 AID PROJECTS.
D) MAINTENANCE OF AN AMERICAN MILITARY ADVISORY TEAM LARGER
THAN THE MAXIMUM OF THREE OFFICERS MANDATED BY CURRENT
LEGISLATION.

E) GRADUAL RESTORATION OF AN EVEN-HANDED POLICY
(AS REL
SECRET

SECRET

PAGE 02 SANTIA 02582 06 OF 06 310123Z

TED TO OUR TREATMENT OF PERU) AS REGARDS FMS
MILITARY SALES AND CREDITS, LIMITED COMMERCIAL SALES, AND CASH
AND GRANT MILITARY TRAINING -- THE MATERIEL COMPONENT TO BE
ORIENTED TOWARD DEFENSE AGAINST POTENTIAL PERUVIAN ARMORED OR
AIR ATTACK.

(MOST OF THE ECONOMIC MEASURES LISTED ABOVE WOULD NOT REQUIRE
NE LEGISLATION.)

3. STEPS CHILE MIGHT TAKE TO IMPROVE ITS HUMAN AND CIVIL
RIGHTS PERFORMANCE.

A) CONTINUE TO REFRAIN FROM KILLING OR ABDUCTING PEOPLE
WHO ARE THEN SAID TO HAVE "DISAPPEARED".
B) ANNOUNCE THAT ANY MEMBER OF THE SECURITY FORCES GUILTY
OF KILLING OR TORTURING PRISONERS WILL BE TRIED AND IF GUILTY,
PUNISHED. DISCIPLINARY ACTION WOULD ALSO BE TAKEN AGAINST SUCH ABUSES
OF POWER AS ARSON AND OTHER VIOLENCE AGAINST REGIME OPPONENTS
INTIMIDATION AND HARASSMENT.
C) RELEASE ANY "MISSING" PERSONS WHO ARE NOW DETAINED.
D) RELAX OR ABOLISH THE STATE OF SIEGE, RESTORE HABEAS
CORPUS PROCEDURES, WIDEN CIVILIAN COURT JURISDICTION IN INTERNAL
SECURITY CASES.
E) ABOLISH OR DRASTICALLY CURB DINA, SO THAT INTERNAL
SECURITY ACTIVITIES ARE IN FACT CONFINED TO THEIR LEGITIMATE
SPHERE -- THE PREVENTION OF SUBVERSION BY VIOLENCE.
F) PERMIT RESPONSIBLE INTERNATIONAL GROUPS TO VISIT CHILE
TO OBSERVE HUMAN AND CIVIL RIGHTS IMPROVEMENTS.
G) TOLERATE ORAL AND WRITTEN DISCUSSION AND DISSENT WHICH
DOES NOT INCITE TO VIOLENCE.
H) BEGINNING AT GRASS-ROOTS LEVEL (E.G. MOTHERS' AND NEIGHBOR-
HOOD COMMITTEES, TRADE UNION LOCALS, SERVICE CLUBS) PERMIT INTERNAL
ELECTIONS AND VOTING ON DECISIONS.
I) RECONSTRUCT THE COUNTRY'S DESTROYED ELECTORAL ROLLS,
IN PREPARATION FOR A REFERENDUM ON A NEW CONSTITUTION AND EVENTUAL
ELECTIONS.
J) NEGOTIATE WITH THE LEADERS OF POLITICAL PARTIES ESCHEWING
VIOLENCE, REGARDING A PHASED RESUMPTION OF POLITICAL ACTIVITIES.
SECRET

SECRET

PAGE 03 SANTIA 02582 06 OF 06 310123Z

POPPER

SECRET

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: INTELLIGENCE ASSESSMENTS, ANNUAL REPORTS, FOREIGN POLICY POSITION
Control Number: n/a
Copy: SINGLE
Sent Date: 30-Mar-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977SANTIA02582
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D770109-1005
Format: TEL
From: SANTIAGO
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t1977036/aaaaafbh.tel
Line Count: 768
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 1835f8b7-c288-dd11-92da-001cc4696bcc
Office: ACTION ARA
Original Classification: SECRET
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 14
Previous Channel Indicators: n/a
Previous Classification: SECRET
Previous Handling Restrictions: n/a
Reference: 77 STATE 38356, 77 SANTIAGO 2567
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 31-Mar-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3109335
Secure: OPEN
Status: NATIVE
Subject: PARM - ANNUAL POLICY AND RESOURCE ASSESSMENT -- PART I
TAGS: AMGT, PFOR, CI, US
To: STATE
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/1835f8b7-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009